



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
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DIVISION OF ENERGY

IN THE MATTER OF THE ESTABLISHMENT)	DECISION AND ORDER APPROVING
OF A UNIVERSAL SERVICE FUND PURSUANT)	WORKING GROUP RECOMMENDATIONS
TO SECTION 12 OF THE ELECTRIC DISCOUNT)	
AND ENERGY COMPETITION ACT OF 1999 -)	
INTERIM ARREARS POLICY)	DOCKET NO. EX00020091

(SERVICE LIST ATTACHED)

BY THE BOARD:

By Order dated April 30, 2003, the Board of Public Utilities ("Board") established a permanent Universal Service Fund ("USF") pursuant to the Electric Discount and Energy Competition Act of 1999, N.J.S.A. 48:2-60(b). During deliberations to develop this permanent program, the USF working group¹ identified the need to develop an arrearage forgiveness component to the USF program to specifically address the issue of participants whose energy utility accounts are significantly in arrears. In the interest of starting the permanent USF assistance program as soon as possible, however, the Board implemented the permanent USF program before the working group had arrived at a consensus on an arrearage forgiveness program. By Order dated July 16, 2003, Docket No. EX00020091, the Board directed Board Staff, in conjunction with the working group, to continue to examine options for an arrearage forgiveness program.

¹ The working group consists of representatives from the following: Board Staff, PSE&G, New Jersey Natural Gas Company (NJNG), South Jersey Gas Company (SJG), NUI Elizabethtown Gas Company (E'town), Jersey Central Power & Light Company (JCP&L), Conectiv Power Delivery (Conectiv), Rockland Electric Company (RECO), the Ratepayer Advocate (RPA), New Jersey Citizen Action (NJCA), AARP, Legal Services of New Jersey (LSNJ), the Department of Human Services (DHS), the Department of Health & Senior Services (DH&SS), and the Department of Community Affairs (DCA).

Since the July 16, 2003 Order, the working group, of necessity, has focused primarily on implementation details of the permanent USF assistance program, and has not developed consensus recommendations on a permanent arrearage forgiveness program. The working group, however, continues to recognize the need to address the issue of arrearages for USF participants, as those participants, by program design, have had the largest energy burden among low-income New Jersey residents as measured by the percentage of their income that is spent on energy. As such, the working group has formulated and submitted to the Board a proposed interim policy that does not afford arrearage forgiveness, but does provide protections to USF participants while the working group and Board Staff continue to examine developing a permanent arrearage program. The recommendations of the working group for an interim USF arrearage policy are as follows:

1. All New Jersey electric and gas utilities ("utilities") shall treat USF recipients as a protected category under the Board's Winter Termination Program ("WTP"), N.J.A.C. 14:3-7.12A, for the period starting October 1, 2003, the start of the USF program, through March 15, 2004, the end of the WTP, or until the end date of the WTP if the Board extends it beyond March 15, 2004.
2. By December 15, 2003, all USF customers with arrearages over \$200 in total, for either gas or electric service, shall either: a) be enrolled in an existing arrearage forgiveness program; or b) have been contacted by their utility, either by phone or by letter, and notified that they can negotiate with their utility an affordable payment plan for their arrearage balance that specifically spreads the arrearage payments over several years, where appropriate. Written communication that fulfills this requirement shall be approved by Board Staff and shall not contain a threat of termination; however, Board staff does not need to review all correspondence with USF recipients regarding arrearages. Oral communication that specifically fulfills this requirement shall also not include a threat of termination. In the event the customer and the utility are unable to agree on the payment terms for the arrearage balance, the customer shall be referred to the Staff of the Board's Division of Customer Assistance for the establishment of affordable payment terms.
3. Utilities shall continue to promote existing arrearage forgiveness programs, such as those mandated by the CRA proceeding, and encourage USF customers to participate in such programs. In addition, utilities shall promptly enroll interested, eligible customers in these programs.

Furthermore, in the process of developing this interim policy, it has come to the attention of Board Staff that customers protected under the WTP may be receiving notices that might mislead them into thinking that their utility service can be terminated during the period covered by the WTP. To address this problem, Board Staff has recommended that the Board explicitly order utilities not to state or imply to customers protected under the WTP, through written or oral communication, that their service can be terminated during that period. To ensure that written communications are clear, Staff has further recommended that the Board Secretary approve all termination notices that are forwarded to customers protected under the WTP.

DISCUSSION AND FINDINGS

The Board, having reviewed the record to date in this proceeding and the working group recommendations, HEREBY FINDS that the interim policy for the handling of arrearages developed and submitted by Board Staff and the USF working group is reasonable.

Accordingly, the Board HEREBY APPROVES the working group recommendations and HEREBY ORDERS all electric and gas utilities to comply with the interim arrearage program as set forth herein.

The Board FURTHER ORDERS all electric and gas utilities not to state or imply to customers protected under the Winter Termination Program, through written or oral communication, that their service may be shut off during the time period covered by the WTP. To ensure that written communications are not misleading, the Board FURTHER ORDERS all electric and gas utilities to submit to the Board Secretary for approval all forms of written communications regarding termination of service that are proposed to be forwarded to customers protected by the WTP. Such approval must be received only once for any specific language contained in a proposed written communication regarding termination, and for any subsequent modification thereto.

Additionally, the Board DIRECTS Staff, in conjunction with the working group, to continue to review this issue and to recommend a permanent arrearage forgiveness program for the Board's consideration as soon as possible. The Board FURTHER DIRECTS Staff to prepare an amendment to N.J.A.C. 14:3-7.12A, which will include USF customers as a protected class under that rule on a going forward basis.

DATED: September 25, 2003

BOARD OF PUBLIC UTILITIES
BY:

SIGNED

JEANNE M. FOX
PRESIDENT

SIGNED

FREDERICK F. BUTLER
COMMISSIONER

SIGNED

CAROL J. MURPHY
COMMISSIONER

SIGNED

CONNIE O. HUGHES
COMMISSIONER

SIGNED

JACK ALTER
COMMISSIONER

ATTEST:

SIGNED

KRISTI IZZO
SECRETARY